



**IMPORTANT NOTICE:  
End of COVID-19 Public Health Emergency Anticipated on May 11, 2023**

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May 10, 2023

**SUMMARY OF MATERIAL MODIFICATIONS TO THE  
Exelixis, Inc. Health and Welfare Plan**

*This document serves as a Summary of Material Modifications (“SMM”) to the Exelixis, Inc. Health and Welfare Plan (“Plan”).*

*This SMM summarizes changes to the Plan that are the result of recent legislation and regulatory guidance addressing employee health and welfare plan benefits in response to the COVID-19 pandemic.*

*You should review this information carefully and share it with your covered dependents. Keep this information with your Summary Plan Description (“SPD”) for future reference. In the event of a conflict between the official Plan Document and this SMM, the SPD, or any other communication related to the Plan, the official Plan Document will govern.*

*Contact the Exelixis Benefit Department at [benefits@exelixis.com](mailto:benefits@exelixis.com) for more information, or to request a paper copy of this document.*

**Overview:**

The COVID-19 public health emergency and national emergency are likely to end on May 11, 2023.

This means some of the policies put in place to respond to the public health emergency will conclude. It is important to know that some of these changes can impact your health coverage. In general, assuming the public health emergency and national emergency end on May 11, 2023, as expected, you will see the following changes to your health coverage:

1. **COVID-19 diagnostic testing:** *After the end of the COVID-19 public health emergency (starting May 12, 2023), the Plan will no longer be required to cover COVID-19 diagnostic testing (including over-the-counter tests) at no cost to you.* This means that you may be responsible for payment of all or part of the cost of COVID-19 tests, including over-the-counter COVID-19 tests, you purchase on and after May 12, 2023.
2. **COVID-19 vaccinations:** While the Plan has been required to cover COVID-19 vaccines at no cost to you, *starting May 12, 2023, the Plan may impose cost sharing if you get a vaccine from a provider that’s not in your health plan’s network.*
3. **Deadlines for key health benefit decisions:** During the COVID-19 national emergency, the Plan has been required to give you more time to make key decisions about your health coverage. **These extensions have been referred to as the “Outbreak Period” extensions.** For example, you and your family members had more time to request special enrollment to join the Plan. Special enrollment is a period outside of your normal open enrollment period when you have an opportunity to enroll in the Plan (if you experienced certain types of life events, like getting married, welcoming a new child into your family, etc., and were otherwise eligible for the



Plan). You were also allowed to take more time to meet deadlines related to electing and paying for COBRA continuation coverage, as well as to submit claims and appeals to the Plan. **These Outbreak Period deadline extensions are scheduled to end as of July 10, 2023.**

**Plan Changes Summarized:**

**COVERAGE OF CERTAIN COVID-19 TESTING COSTS LIKELY ENDING AS OF MAY 11, 2023**

**IMPORTANT NOTE:** The following provisions only summarize the laws addressing coverage of certain COVID-19 testing and vaccine costs. Consult the Plan's insurance carrier or third-party administrator for full details, limitations, and conditions on the testing coverage described below.

**Public Health Emergency Period.** The following provisions are effective March 18, 2020 through the end of the **Public Health Emergency Period**, which is established by the Secretary of Health and Human Services (HHS) under Section 319 of the Public Health Services (PHS) Act. Generally, under Section 319 of the PHS Act, a public health emergency declaration lasts until the Secretary of HHS declares that the public health emergency no longer exists. The end date of the **Public Health Emergency Period** is likely to be **May 11, 2023**, but that has not yet been finalized as of the date of this SMM.

**Covered Items and Services No Longer Required.** During the **Public Health Emergency Period**, the Plan has been required to provide the following coverage without cost-sharing (i.e., no deductibles, copayments, or co-insurance), prior authorization requirements, or other medical management requirements for screening and testing for COVID-19 when medically appropriate for the individual, as determined by the individual's attending healthcare provider in accordance with accepted standards of current medical practice, and to the extent required by the FFCRA and the CARES Act:

- **In Vitro Diagnostic Tests.** An in vitro diagnostic testing (e.g., nasal swab) for the detection of SARS-CoV-2 (i.e., Coronavirus) or the diagnosis of COVID-19, and the administration of such a test, that:
  - Is approved, cleared, or authorized by the Food and Drug Administration (FDA) for emergency use; or
  - The developer has requested, or intends to request, emergency use authorization by the FDA;
  - Is developed in and authorized by a State that has notified the Secretary HHS of its intention to review tests intended to diagnose COVID-19; or
  - Eight over-the-counter COVID-19 tests/month/member.
- **Serological Tests.** Serological tests that are used to detect COVID-19 antibodies are also covered by the Plan to the extent they meet the requirements above for in vitro diagnostic tests.
- **Related Items and Services.** The Plan has covered items and services related to office visit, telehealth session, urgent care visit, or emergency room visit for COVID-19 diagnostics that result in an order for or administration of a COVID-19 test.
  - For this purpose, coverage has been provided only to the extent that the items or services relate to the furnishing or administration of the test or to the evaluation of such individual for purposes of determining the need of the individual for the product, as determined by the individual's attending healthcare provider.



- **Preventive and Vaccine Costs.** The Plan has also covered preventive services or vaccines for COVID-19 to the extent they relate to “qualifying coronavirus preventive services”:
  - To qualify, the item, services, or immunization must have been designed to prevent or mitigate COVID-19 must have an “A” or “B” recommendation by the U.S. Preventive Services Task Force (USPSTF) or Centers for Disease Control and Prevention (CDC).
  - The Plan has implemented changes to cover such preventive services or vaccines within 15 business days following the date on which a recommendation is made.

The coverage described above has been provided for both in-network and out-of-network providers.

**Major Medical Plan Only.** The covered items and services described above regarding COVID-19 testing and vaccines have applied only to the Plan benefits that are considered “group health plans” (i.e., the major medical components of the plan) and that are not “excepted benefits” (e.g., dental and vision benefits) under the Patient Protection and Affordable Care Act (ACA) and Health Insurance Portability and Accountability Act (HIPAA).

#### **EXTENSIONS OF CERTAIN PLAN DEADLINES LIKELY ENDING AS OF JULY 10, 2023**

**Outbreak Period Deadline Extensions.** The Plan has disregarded the “**Outbreak Period**” (as defined below) in determining the following periods and dates described below. The **Outbreak Period** is the period from March 1, 2020 until 60 days after the announced end of the **National Emergency Period** (or a later date announced in subsequent guidance). The **National Emergency Period** is the period resulting from the President’s Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak on March 13, 2020, and the President’s separate determination invoking a nationwide national emergency determination under the Stafford Act beginning March 1, 2020 as a result of the COVID-19 outbreak.

The end date of the **National Emergency Period** is likely to be **May 11, 2023**, but that has not yet been finalized as of the date of this SMM. Assuming the end date is May 11, 2023, that will result in an **end date of the Outbreak Period as of July 10, 2023**. The examples below assume the Outbreak Period will end as of that date.

1. **Deadline for Employee/Dependent to Request HIPAA Special Enrollment.** The 30-day deadline (or 60-day deadline for loss of Medicaid/CHIP eligibility or becoming eligible for a state premium assistance subsidy under Medicaid/CHIP) for an employee or dependent to request special enrollment in the Plan under the HIPAA.

*Example (Outbreak Period of March 1, 2020 – July 10, 2023):*

- Employee waived group health coverage under the Plan.
- On April 1, 2023, employee gives birth to a child and would like to enroll herself and her newborn in the Plan (normally, a 30-day special enrollment period).
- The Plan’s 30-day special enrollment period is extended by disregarding the Outbreak Period (through July 10, 2023).
- Accordingly, the employee would have until 30 days after the end of the Outbreak Period



(until August 9, 2023) to enroll herself and her child in the Plan.

2. Deadline for Qualified Beneficiaries to Make COBRA Elections. The 60-day deadline under COBRA for employees and dependents who lose active group health plan coverage due to a qualifying event (e.g., termination of employment) to elect COBRA continuation coverage.

*Example (Outbreak Period of March 1 – July 10, 2023):*

- A participant's hours are reduced, which causes the participant to lose active group health coverage under the Plan (a COBRA qualifying event).
- The participant receives the COBRA election notice on May 1, 2023.
- The standard 60-day COBRA election period is extended by disregarding the Outbreak Period.
- Accordingly, the participant has until 60 days after the end of the Outbreak Period (until September 8, 2023) to elect COBRA.

3. Deadline for Qualified Beneficiaries to Pay COBRA Premiums. The COBRA deadline for qualified beneficiaries to make the first COBRA premium payment within 45 days of their COBRA enrollment date, and to make subsequent monthly COBRA premium payments by the end of the 30-day grace period that starts at the beginning of each coverage month.

*Example (Outbreak Period of March 1 – July 10, 2023):*

- Employee is a COBRA qualified beneficiary elects COBRA on October 15, 2022 for coverage as of October 1, 2022.
- The standard 45-day initial COBRA premium deadline is extended to August 24, 2023, which is 45 days after July 10, 2023.
- This initial COBRA premium payment would include the monthly premium payments for October 2022 through July 2023.
- The premium payment for August 2023 must be paid by August 30, 2023 (the last day of the 30-day grace period for the August 2023 premium payment).
- Subsequent monthly COBRA premium payments would be due the first of each month, subject to a 30-day grace period.